

AGENDA
Regular Meeting of the Governing Body of the
Alameda Reuse and Redevelopment Authority

Alameda City Hall
Council Chamber, Room 390
2263 Santa Clara Avenue
Alameda, CA 94501

Wednesday, June 1, 2005
Meeting will begin at 7:00 p.m.
City Hall will open at 6:45 p.m.

1. ROLL CALL

2. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Council or a member of the public.

2-A. Report from the Executive Director recommending the Approval of Subleases at Alameda Point.

3. PRESENTATION

3-A. Presentation/update on Alameda Point Navy Negotiations and Land Use Planning.

3-B. Video presentation by the Alameda Naval Air Museum (ANAM).

4. REGULAR AGENDA ITEMS

4-A. Report authorizing the Acting Executive Director to execute a two year lease renewal (1-year with 1-year owner option) with Alameda Naval Air Museum (ANAM) for Building 77 at Alameda Point.

5. ORAL REPORTS

5-A. Oral report from APAC.

5-B. Oral report from Member Matarrese, RAB representative.

6. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

7. COMMUNICATIONS FROM THE GOVERNING BODY

**8. ADJOURNMENT TO CLOSED SESSION OF THE ARRA TO CONSIDER
CONFERENCE WITH REAL PROPERTY NEGOTIATOR:**

8-B. Property: Alameda Naval Air Station
Negotiating parties: ARRA, Navy, and Alameda Point Community Partners
Under negotiation: Price and Terms

Announcement of Action Taken in Closed Session, if any.

9. ADJOURNMENT

This meeting will be cablecast live on channel 15.

Notes:

- Sign language interpreters will be available on request. Please contact the ARRA Secretary, Irma Frankel at 749-5800 at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disabilities (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audio tapes of the meeting are available for review at the ARRA offices upon request.

City of Alameda
Alameda Reuse and Redevelopment Authority

2-A

May 19, 2005

TO: Honorable Chair and Members of the
Alameda Reuse and Redevelopment Authority

FROM: William C. Norton, Acting Executive Director

RE: Report from the Acting Executive Director Recommending the Approval of Subleases at
Alameda Point

Background

At the December 2004 ARRA Board Meeting, the ARRA elected to review and approve all subleases at Alameda Point.

Discussion

Attachment "A" describes the business terms for the proposed sublease(s).

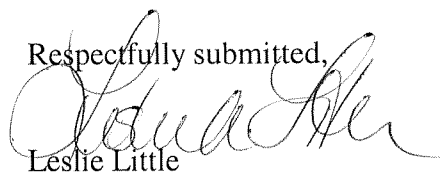
Fiscal Impact

The rent for POWER ENGINEERING CONTRACTORS, INC. is \$191,760 annually or \$0.29 per square foot. There is no fiscal impact on the CITY OF ALAMEDA occupied buildings.

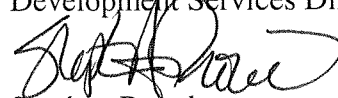
Recommendation

The Acting Executive Director recommends that the Alameda Reuse and Redevelopment Authority approve the proposed sublease(s).

Respectfully submitted,



Leslie Little
Development Services Director



Stephen Proud
Alameda Point Project Manager

By:



Nanette Banks
Finance & Administration Manager

PB/SP/NB:mlf
Attachment

ATTACHEMENT "A"
PROPOSED SUBLEASE BUSINESS TERMS

TENANT	BUILDING	SIZE (SF)	TERM	RENT
Power Engineering Contractors, Inc.	166	55,980	5 years	\$15,980/mo.
City of Alameda, City Hall West	1	48,946	5 years	Waived
City of Alameda, Fire Station 5	6	39,550	5 years	Waived
City of Alameda, City Storage	397	17,300	5 years	Waived
City of Alameda, Fire & City Training	522	2,400	5 years	Waived

City of Alameda
Alameda Reuse and Redevelopment Authority

4-A

May 24, 2005

TO: Honorable Chair and Members of the
Alameda Reuse and Redevelopment Authority

FROM: William C. Norton
Acting Executive Director

RE: Report Authorizing the Acting Executive Director to Execute a Two Year
Lease Renewal (1-year with 1-year owner option) with Alameda Naval
Air Museum (ANAM) for Building 77 at Alameda Point.

Background

In April 2000, the ARRA executed a lease with the Alameda Naval Air Museum (ANAM) for Building 77 at a rent of \$1 per month. The lease also required ANAM to pay a monthly common area maintenance fee of \$528 upon receipt of a Certificate of Occupancy (C of O). That lease provided that the ANAM would have the first right to renew the lease but had no specific or automatic renewal terms. Because Building 77 needed substantial improvements to conform with the building code, ANAM did not occupy the premises for four years. The C of O was issued in March 2004.

Construction was funded by an ARRA grant from the Economic Development Administration (EDA), ARRA lease revenue, and tenant contribution.

Discussion

The ARRA Governing Body has always been concerned about whether Alameda Point could continue to accommodate the large number of non-profit and “subsidized” tenants. In order to protect its interests and investment the ARRA approved a 5-year lease with the ANAM that included performance standards. The lease document allows the ARRA to terminate the lease based on the tenant’s failure to meet performance standards. More specifically it states,

“After the time which is three (3) years following commencement of this Sublease, the Sublessor shall evaluate the Subtenant’s performance based on public membership, program development, quality of exhibits, social programs and attendance. Following this evaluation, the Sublessor may, in its sole reasonable discretion, terminate this Sublease if in the Sublessor’s reasonable judgment, the Subtenant has failed to achieve a reasonable level of success with respect to the performance criteria contained herein.”

Because occupancy wasn't established until March 2004, ANAM hasn't had its 3-year window to meet its performance goals, therefore, a 2-year lease extension is being proposed. In addition to the 2-year extension, the performance goals should be amended to include the development of a marketing strategy and a long-term financial plan.

PM Realty Group has contacted several museum associations and consultants who can in one year, assist the ARRA to evaluate whether the museum has met its performance goals. The following is a list of those contacted: American Association of Museums, Museums USA, Museum Trustee Association, Western Museum Association, Visitor Studies Association and Economic Research Associates.

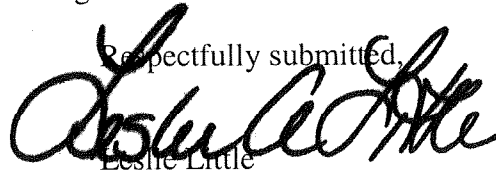
Fiscal Impact

There is no fiscal impact. ANAM will continue to pay a rent of \$1 per month and a monthly common area maintenance fee of \$528

Recommendation

It is recommended that the ARRA Governing Body Authorize the Acting Executive Director to Execute a Two Year Lease Renewal (1-year with 1-year owner option) with Alameda Naval Air Museum (ANAM) for Building 77 at Alameda Point.

Respectfully submitted,



Leslie Little

Development Services Director

By:



Nanette Banks

Finance & Administration Manager

LL/NB:mlf

A copy of the Lease Renewal is on file in the City Clerk's office